

to owners and for the HA administrative fee. The ACC specifies the maximum annual payment by HUD, and the maximum payment over the ACC term. The HA agrees to administer the program in accordance with HUD regulations and requirements.

(2) HUD's commitment to make payments for each funding increment in the HA program constitutes a separate ACC. However, commitments for all the funding increments in an HA program are listed in one consolidated contractual document called the consolidated annual contributions contract (consolidated ACC). A single consolidated ACC covers funding for the HA certificate program and voucher program.

(b) *Budget authority and contract authority.* (1) Budget authority is the maximum amount that may be paid by HUD to an HA over the ACC term of a funding increment. Contract authority is the maximum annual payment for the funding increment. Budget authority for a funding increment is equal to contract authority times the number of years in the increment term. Before adding a funding increment to the consolidated ACC for an HA program, HUD reserves budget authority from amounts authorized and appropriated by the Congress for the program.

(2) For each funding increment, the ACC specifies the initial term over which HUD will make payments for the HA program, and the contract authority and budget authority for the funding increment. For a given HA fiscal year, the amount of HUD's maximum annual payment for the HA program equals the sum of the contract authority for all of the funding increments under the consolidated ACC. However, this maximum amount does not include contract authority for an expired funding increment. If the term of a funding increment expires during the HA fiscal year, this maximum amount only includes the pro-rata portion of contract authority for the portion of the HA fiscal year prior to expiration. (Additional payments may be made from the ACC reserve account described in § 982.154.) However, the amount to be paid must be approved by

HUD, and may be less than the maximum payment.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995]

#### § 982.152 Administrative fee.

(a) *Purposes of administrative fee.* (1) HUD may approve administrative fees to the HA for any of the following purposes:

- (i) Ongoing administrative fee;
- (ii) Preliminary fee;
- (iii) Cost to help families who experience difficulty renting appropriate housing;
- (iv) Cost to coordinate supportive services for elderly and disabled families;
- (v) Cost to coordinate supportive services for families participating in the family self-sufficiency (FSS) program;
- (vi) Cost of audit by an independent public accountant; and
- (vii) Other extraordinary costs determined necessary by HUD Headquarters.

(2) For each HA fiscal year, administrative fees are specified in the HA budget. The budget is submitted for HUD approval. Fees are paid in the amounts approved by HUD. Administrative fees may only be approved or paid from amounts appropriated by the Congress.

(3) HA administrative fees may only be used to cover costs incurred to perform HA administrative responsibilities for the program in accordance with HUD regulations and requirements.

(b) *Ongoing administrative fee.* (1) The HA ongoing administrative fee is paid for each program unit under HAP contract on the first day of the month. The amount of the ongoing fee is established by HUD.

(2) If appropriations are available, HUD may pay a higher ongoing administrative fee for a small program or a program operating over a large geographic area. This higher fee level will not be approved unless the HA demonstrates that it is efficiently administering its tenant-based program, and that the higher ongoing administrative

fee is reasonable and necessary for administration of the program in accordance with HUD requirements.

(3) HUD may pay a lower ongoing administrative fee for HA-owned units.

(c) *Preliminary fee.* (1) A one-time preliminary fee, in the amount of \$500, is paid by HUD in the first year an HA administers a tenant-based assistance program under the 1937 Housing Act. The fee is paid for each new unit added to the HA program by the initial funding increment.

(2) The preliminary fee is used to cover expenses that the HA documents it has incurred to help families who inquire about or apply for the program, to lease up new units, or to pay for family self-sufficiency program activities.

(d) *Reducing HA administrative fee.* HUD may reduce or offset any administrative fee to the HA, in the amount determined by HUD, if the HA fails to perform HA administrative responsibilities correctly or adequately under the program (for example, HA failure to enforce HQS requirements; or to reimburse a receiving HA promptly under portability procedures).

[60 FR 23695, July 3, 1995, as amended at 63 FR 23860, Apr. 30, 1998]

**§ 982.153 HA responsibilities.**

The HA must comply with the consolidated ACC, the application, HUD regulations and other requirements, and the HA administrative plan.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995; 61 FR 13627, Mar. 27, 1996; 63 FR 23860, Apr. 30, 1998]

**§ 982.154 ACC reserve account.**

(a)(1) HUD establishes an unfunded reserve account, called the ACC reserve account (formerly "project reserve"), for the HA's program. There are separate ACC reserve accounts for the HA's certificate and voucher programs. The ACC reserve account is established and maintained in the amount determined by HUD.

(2) At the end of each HA fiscal year, HUD credits the ACC reserve account from the amount by which the sum of contract authority for all funding in-

crements under the consolidated ACC (maximum annual payment) exceeds the amount actually approved and paid for the HA fiscal year. However, the maximum annual payment does not include contract authority for an expired funding increment. If the term of a funding increment expires during the HA fiscal year, this maximum amount only includes the pro-rata portion of contract authority for the funding increment covering the portion of the HA fiscal year prior to expiration.

(b) HUD may approve additional payments for the HA program from available amounts in the ACC reserve account.

**§ 982.155 Administrative fee reserve.**

(a) The HA must maintain an administrative fee reserve (formerly "operating reserve") for the program. There are separate administrative fee reserve accounts for the HA's certificate and voucher programs. The HA must credit to the administrative fee reserve the total of:

(1) The amount by which program administrative fees paid by HUD for an HA fiscal year exceed the HA program administrative expenses for the fiscal year; plus

(2) Interest earned on the administrative fee reserve.

(b)(1) The HA must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for an HA fiscal year. If funds in the administrative fee reserve are not needed to cover HA administrative expenses (to the end of the last expiring funding increment under the consolidated ACC), the HA may use these funds for other housing purposes permitted by State and local law. However, HUD may prohibit use of the funds for certain purposes.

(2) The HA Board of Commissioners or other authorized officials must establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

(3) If the HA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the HA to use funds in the reserve